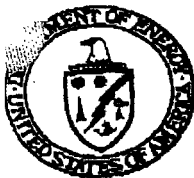


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Department of Energy
Washington, DC 20585

October 10, 2001

Mr. C. Stephen Allred, Director
Idaho Department of Environmental Quality
1410 North Hilton
Boise, Idaho 83706

Mr. John Iani
Administrator
U.S. Environmental Protection Agency
Region 10
1200 6th Avenue
Seattle, Washington 98101

Dear Messrs. Allred and Iani:

I am pleased to report that the combined Idaho Department of Environmental Quality (IDEQ)/ Environmental Protection Agency (EPA)/Department of Energy (DOE) negotiating team for the Pit 9 dispute successfully developed three enforceable milestones. The teleconference meeting, held October 3, 2001, resulted in the following proposed enforceable milestones for the Glovebox Excavator concept:

- 1) Complete project design by October 31, 2002.
- 2) Start construction by November 30, 2002.
- 3) Establish, by July 19, 2002, an enforceable schedule to replace the target dates as discussed below.

The target dates, which may change as detailed design and analyses are completed, are as follows:

- 1) Begin overburden excavation circa November 2003.
- 2) Complete waste retrieval circa April 2004.

DOE would commit to establishing firm, enforceable dates for these two activities by July 19, 2002.

The parties agreed that DOE, EPA, IDEQ and Bechtel BWXT Idaho, LLC would hold weekly conference calls each Thursday at 8:30 a.m. (Mountain Time) starting October 11, 2001, to discuss the status of these and other activities relating to Pit 9. These conference calls would not be deemed to be design reviews under the Federal Facility Agreement/Consent Order (FFA/CO).



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It was also agreed that the EPA and IDEQ would participate in two design reviews. The first would be a conceptual design review at the Critical Decision-1 (CD-1) point. EPA and IDEQ will conduct the review at the Idaho National Engineering and Environmental Laboratory and provide comments in 10 days or less. DOE will provide a date (not an enforceable deadline date) for the CD-1 review. The second design review would be the "Draft Final" Remedial Design/Remedial Action Work Plan.

In light of these agreements reached by the negotiating team, I have instructed Mr. Warren Bergholz, DOE Idaho Operations Office, to provide to you, and the EPA Regional Administrator, precise language to resolve the dispute within the context of the FFA/CO. You will receive the proposed language today, October 10, 2001. I request that the State and EPA formally approve the revised language by October 12, 2001. If that is not possible, DOE will submit a request to elevate the dispute in accordance with paragraph 9.2 (f) of the FFA/CO in order to protect its rights. DOE is committed to continue to work with you and EPA to resolve this dispute even though it may have been elevated after October 12.

I am encouraged that all of the parties are thoroughly engaged in developing a solid and effective approach to the Pit 9 retrieval demonstration. We appreciate the constructive work of your staff.

Sincerely,



Jessie Hill Roberson
Assistant Secretary for
Environmental Management

cc:

Ms. Ann Williamson, EPA Region 10
Mr. Orville Green, IDEQ
Mr. Warren Bergholz, DOE-ID
Dr. Bill Shipp, BBWI